



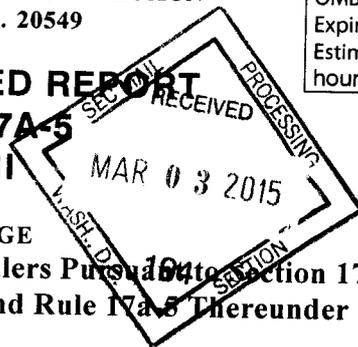
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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PUBLIC

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**



SEC FILE NUMBER
8-26417

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2014 AND ENDING 12/31/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CMS Investment Resources, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

308 E. Lancaster Ave, Suite 300

(No. and Street)

Wynnewood

(City)

Pennsylvania

(State)

19096

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John Adams

(610) 896-3057

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BDO USA, LLP

(Name - if individual, state last, first, middle name)

Ten Penn Center, 1801 Market Street, Suite 1700

(Address)

Philadelphia, PA

(City)

(State)

19103

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

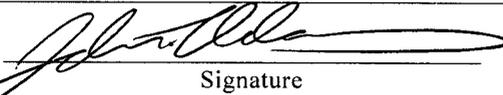
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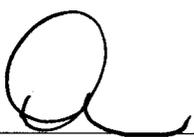
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OATH OR AFFIRMATION

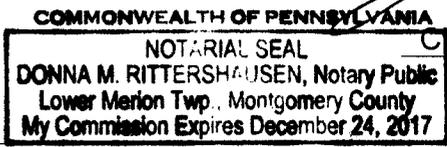
I, John Adams, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CMS Investment Resources, LLC, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature

Chief Financial Officer
Title



Notary Public



This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



Tel: 215-564-1900
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1801 Market Street, Suite 1700
Ten Penn Center
Philadelphia, PA 19103

Report of Independent Registered Public Accounting Firm

The Sole Member
CMS Investment Resources, LLC
Wynnewood, Pennsylvania

We have audited the accompanying statement of financial condition of CMS Investment Resources, LLC as of December 31, 2014. This financial statement is the responsibility of CMS Investment Resources, LLC's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. CMS Investment Resources, LLC is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CMS Investment Resources, LLC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of CMS Investment Resources, LLC at December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

Philadelphia, Pennsylvania
February 27, 2015

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

Statement of Financial Condition and Report
of Independent Registered Public
Accounting Firm
December 31, 2014

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

Statement of Financial Condition and
Report of Independent Registered Public Accounting Firm
December 31, 2014

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

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Financial Statement

PUBLIC

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

Statement of Financial Condition

<i>December 31,</i>	2014
Assets	
Cash	\$ 1,530,314
Placement fees receivables	319,813
Insurance commissions receivables	66,113
Due from affiliated entities	113
Prepaid expenses	68,289
Investment in partnership	3,674
Total Assets	\$ 1,988,316
Liabilities and Member's Capital	
Liabilities	
Accounts payable and accrued expenses	\$ 208,495
Due to affiliated entities	257,623
Accrued special distribution	220,052
Total Liabilities	686,170
Member's Capital	1,302,146
Total Liabilities and Member's Capital	\$ 1,988,316

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

Notes to Statement of Financial Condition

1. Organization

CMS Investment Resources, LLC ("Company") is organized under the Laws of the Commonwealth of Pennsylvania and is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company operates under the exemptive provisions of SEC Rule 15c3-3k(2)(i). The Company is wholly-owned by CMS Holdco LLC ("Holdco" or "member").

Effective November 1, 2013, the Company began operating in a limited capacity and is no longer engaging in any new selling activities. The Company will continue to exist to receive residual compensation related to private placements sold prior to December 31, 2013 and renewal compensation for variable insurance sales that originated prior to December 31, 2013. As a result of these changes, the Company filed for and was granted by FINRA a Two-Principal Waiver pursuant to NASD Rule 1021(e)(2).

2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies applied by management in the preparation of the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Placement Fees and Insurance Commissions Receivable

Receivables are stated at unpaid balance, less an allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on risks inherent in the placement fees receivable balance. Based on that evaluation, management provides for possible uncollectible amounts by establishing a valuation allowance with a charge to bad debt expense. Balances that are outstanding after management has used reasonable collection efforts are written off by a charge to the valuation allowance. There is no valuation allowance at December 31, 2014.

Income Taxes

The Company is a single-member Limited Liability Company ("SMLLC") and is treated as a disregarded entity pursuant to Treasury Regulation 301.7701-3 for federal income tax purposes. Generally, disregarded entities are not subject to entity-level federal or state income taxation and, as such, the Company does not provide for income taxes under FASB ASC 740, "Income Taxes". The Company's taxable income is reported in the tax return of its single member, Holdco.

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

Notes to Statement of Financial Condition

Based upon its evaluation, the Company has concluded that there are no significant uncertain income tax positions relevant to the jurisdictions where it is required to file income tax returns requiring recognition in the statement of financial condition. Management monitors proposed and issued tax law, regulations and cases to determine the potential impact to uncertain income tax positions. At December 31, 2014, management had not identified any potential subsequent events that would have a material impact on unrecognized income tax benefits.

The Company believes its tax status as a pass through entity would be sustained under Federal, state, or local income tax examination. Generally, the Company is potentially subject to Federal and state income tax examinations in major jurisdictions subsequent to 2010.

Recent Accounting Pronouncement

In August 2014, the Financial Accounting Standards Board (FASB) issued guidance that requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The updated accounting guidance will be effective for the Company on January 1, 2017, and early adoption is permitted. The Company will evaluate the going concern considerations in this guidance upon adoption.

3. Concentrations

Cash Balances

The Company maintains its cash in a bank account which, at times, may exceed federally insured limits. Management has not experienced any losses and believes it is not exposed to any significant credit risk.

Insurance Commissions Receivable

The Company derives a significant portion of its revenue from the renewal of variable annuity insurance with three insurance carriers. The Company is not bound to exclusivity with any insurance carrier and works with customers to determine the most appropriate policy and carrier. Related Accounts receivable derived from these significant carriers for 2014 was as follows:

	Accounts Receivable
Company A	15%

CMS Investment Resources, LLC
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CMS Holdco, LLC)

Notes to Statement of Financial Condition

Placement Fee Receivable

The Company earns private equity security placement fees when a client is admitted into a fund. Accounts receivable derived from significant funds for 2014 was as follows:

	Account Receivable
Fund A	13%
Fund B	36%
Fund C	24%

4. Related Party Transactions

Expense Sharing Agreement

Effective January 1, 2012, the Company entered into an expense sharing agreement with Holdco, whereby Holdco (i) employs personnel who perform services for the Company and (ii) Holdco funds and allocates certain other expenses such as facility rental costs, computer and IT costs, insurance premiums, among others, to the Company. As of December 31, 2014, the Company owes Holdco \$12,357 under this expense sharing agreement and is included in Due to affiliated entities in the accompanying statement of financial condition. Additionally, the Company has a payable of \$59,840 for certain expenses Holdco paid on the Company's behalf.

The Company also reimburses Holdco for insurance and placement commissions earned by its members who are registered representatives of the Company. As of December 31, 2014, \$59,117 was payable and is included in Due to affiliated entities in the accompanying statement of financial condition.

Administrative Services Agreement

Effective January 1, 2012, the Company entered into an administrative services agreement with MainLine Investment Partners, LLC ("MLIP"), an affiliated entity that has common owners with Holdco, whereby MLIP employs personnel who provide management oversight and support services to the Company. As of December 31, 2014, the Company had a payable of \$123,197 to MLIP and is included in Due to affiliated entities in the accompanying statement of financial condition, related to services provided pursuant to this agreement.

Due From Affiliates

As of December 31, 2014, the Company had due from affiliates totaling \$113. This amount is due upon demand, noninterest-bearing and represents expenses paid by the Company on behalf of affiliated entities.

Accrued Special Distribution

CMS Investment Resources, LLC
(A wholly-owned limited liability company of
CMS Holdco, LLC)

Notes to Statement of Financial Condition

As of December 31, 2014, the Company has a liability recorded of \$220,052 related to a future obligation to a member of Holdco that is expected to be paid in 2017.

Rose Glen Servicing Agreement

Effective November 1, 2013, the Company has entered into a servicing agreement with Rose Glen Life Portfolio Analysis, LLC ("Rose Glen") to have Rose Glen service the existing portfolio of life insurance policies. A member of Holdco is the controlling member of Rose Glen. There were no amounts outstanding to Rose Glen as of December 31, 2014 under this servicing agreement.

5. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed a ratio of 15 to 1. At December 31, 2014, the ratio was 0.81 to 1. At December 31, 2014, the Company had net capital, as defined, of \$844,143, which was \$798,361 in excess of its required net capital of \$45,782.

The Company is exempt from the calculation of the reserve requirement under Rule 15c3-3k(2)(i) due to the fact that it carries no margin account, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker-dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker-dealer and its customers through a special account for the exclusive benefit of its customers.

Various states in which the Company is registered as a broker dealer require a minimum net capital requirement of \$25,000.

7. Litigation

Certain CMS-affiliated entities have filed lawsuits against various unrelated individuals and entities relating to a substantial theft that was perpetrated against the assets of CMS Life Insurance Opportunity Fund, L.P.(the "Life Insurance Fund"), and its portfolio holdings. The Company, acting in its capacity as a broker-dealer, sold equity participations to investors in the Life Insurance Fund and notes issued by RAI SPV2, LLC, which in turn acquired participating interests in the policies that formed part of the underlying portfolio holdings of the Life Insurance Fund. Various investors have entered into tolling and standstill agreements with CMS-affiliated entities, and one investor has threatened unspecified litigation. There is no pending litigation against the Company, and at this time, the Company believes that any loss contingency related to the unspecified litigation as a result of these events is remote.